PRELIMINARY DRAFT

TEXAS LEGISLATIVE COUNCIL Special District Local Laws Code Chapter 5018 9/28/18

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3	CHAPTER 5018. ORANGE COUNTY NAVIGATION AND PORT DISTRICT OF ORANGI						
4	COUNTY, TEXAS						
5	SUBCHAPTER A. GENERAL PROVISIONS						
6	Revised Law						
7	Sec. 5018.0001. DEFINITIONS. In this chapter:						
8	(1) "Board" means the district's board of						
9	commissioners.						
10	(2) "Commissioner" means a board member.						
11	(3) "District" means the Orange County Navigation and						
12	Port District of Orange County, Texas. (Acts 53rd Leg., R.S., Ch						
13	370, Sec. 1 (part); New.)						
14	Source Law						
15 16 17	County Navigation and Port District of Orange County,						
18	Revisor's Note						
19	The revised law adds the definitions of "board"						
20	and "commissioner" for drafting convenience and to						
21	avoid frequent, unnecessary repetition of the						
22	substance of the definitions.						
23	Revised Law						
24	Sec. 5018.0002. FINDINGS OF BENEFIT AND PURPOSE. (a) The						
25	creation of the district is essential to accomplish the purposes of						
26	Section 59, Article XVI, Texas Constitution, including, to the						
27	extent authorized by this chapter:						
28	(1) the supervision, maintenance, development,						
29	extension, and improvement of navigation in the district;						
30	(2) the maintenance, development, extension, and						
31	improvement of port facilities and dock facilities in the district;						
32	and						
33	(3) the development of the Port of Orange in the						
34	district.						
35	(b) The district:						

- 1 (1)is essential to the general welfare of this state
- 2 for the development of maritime shipping to and from the state's
- 3 ports;

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- 4 (2) is in the interest of national defense, the Port of
- Orange being strategically located on the Gulf Coast with an 5
- 6 inland-protected harbor and in a rapidly developing industrial area
- in which shipyards and ship-storing basins are located; and 7
- 8 will result in:
- 9 (A) material benefits and improvements to
- district territory; 10
- 11 (B) the increase of the taxable value of property
- in the district; and 12
- 13 (C) material benefit to that part of the state in
- which the district is located. 14
- All property in the district and in this state will 15
- 16 benefit from the district and the improvements and facilities
- acquired or constructed under this chapter. (Acts 53rd Leg., R.S., 17
- 18 Ch. 370, Sec. 1 (part); Acts 55th Leg., R.S., Ch. 80, Sec. 4.)

19 Source Law

[Acts 53rd Leg., R.S., Ch. 370] Sec. 1. There is hereby created within the State of Texas, in addition to the Districts into which the State has heretofore been divided, a District [to be known as Orange County Navigation and Port District of Orange County, Texas,] . . . Such District shall be Orange County, Texas,] . . . Such District shall be and is hereby declared to be a governmental agency and body politic and corporate . . . the creation of such District is hereby determined to be essential to the accomplishment of the purpose of Section 59 of Article 16 of the Constitution of the State of Texas including (to the extent hereinafter authorized) the supervision and the improvement of navigation and the maintenance, development, extension and improvement of navigation and the maintenance, development, extension and improvement of port facilities, dock facilities and the development of Port Orange within the boundaries thereof as hereby established, which is declared to be essential to the general welfare of the State of Texas for the development of maritime shipping to and from its ports, and in the interest of national defense; the port of Orange being strategically located on the gulf coast with an inland-protected harbor and in a rapidly developing industrial area wherein shipyards and ship-storing basins are located, and the creation of said District will result in material benefits and improvements to the territory included therein and in the increase of taxable values of property included therein, and result in material benefit to

section of the State in which the District is located.

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[Acts 55th Leg., R.S., Ch. 80]
Sec. 4. It is hereby found that all property, both real and personal, within the District and within the State of Texas is benefited by said District and will be benefited by the improvements and facilities to be acquired or constructed under the provisions of this Act.

Revisor's Note

- Section 1, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the district is "hereby created within the State of Texas, in addition to the Districts into which the State has heretofore been divided." The revised law omits the reference to the district being "hereby created" as executed. The revised law omits the reference to the district's creation "within the State of Texas, in addition to the Districts into which the State has heretofore been divided" because the absence of the language does not imply that the legislature could create a district outside its jurisdiction or that the district is not in addition to any other districts.
- Section 1, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the district is "a governmental agency and body politic and corporate." The revised law omits the quoted language because it duplicates a portion of Section 59(b), Article XVI, Texas Constitution, which provides that a district created under that section is a governmental agency and a body politic and corporate.
- Section 1, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to "Port Orange" and the "port of Orange." The revised law refers to the "Port of Orange" for consistency in terminology throughout this chapter.
- Section 4, Chapter 80, Acts of the 55th Legislature, Regular Session, 1957, refers

"property, both real and personal." The revised law
omits the reference to "both real and personal"
because under Section 311.005(4), Government Code
(Code Construction Act), "property" means "real and
personal property."

6 Revised Law

Sec. 5018.0003. DISTRICT TERRITORY. (a) The district's boundaries are coextensive with the boundaries of Orange County, unless the district's territory has been modified under:

- 10 (1) Section 3 or 3a, Chapter 103, Acts of the 41st
 11 Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's
 12 Texas Civil Statutes), before August 30, 1971;
- 13 (2) Subchapter H, Chapter 62, Water Code; or
- 14 (3) other law.

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(b) The district includes all of the property within the district's boundaries. (Acts 53rd Leg., R.S., Ch. 370, Sec. 1 (part); New.)

18 <u>Source Law</u>

Sec. 1. . . . [Orange County Navigation and Port District of Orange County, Texas,] situated in Orange County, Texas, with boundaries as hereinafter set out

The boundaries of said District shall be coextensive with the boundaries of Orange County, Texas, and said District shall include all of the lands and other property, both real and personal, within the boundaries of said District.

<u>Revisor's Note</u>

Section 1, Chapter 370, Acts of the 53rd (1)Session, 1953, Legislature, Regular contains description of the district's territory. description may not be accurate on the effective date of the revised law or at the time of a later reading because the district's boundaries are subject to change. For the reader's convenience, the revised law includes a reference to authority to change the district's territory under general law. This authority was formerly located in Sections 3 and 3a,

- Chapter 103, Acts of the 41st Legislature, 1st Called 1 Session, 1929 (Article 8263a, Vernon's Texas Civil 2 3 Statutes). Chapter 58, Acts of the 62nd Legislature, 4 Regular Session, 1971, which took effect August 30, 1971, codified those provisions in Subchapter H, 5 Chapter 62, Water Code. The revised law also includes 6 7 reference to the authority of general change 8 legislature to enact other laws to the 9 district's territory.
- (2) Section 1, Chapter 370, Acts of the 53rd 10 Legislature, Regular Session, 1953, refers to "lands 11 and other property, both real and personal." 12 revised law omits the reference to "lands" because 13 "lands" is included in the meaning of "property." The 14 revised law omits the reference to "both real and 15 personal" for the reason stated in Revisor's Note (4) 16 17 to Section 5018.0002.

18 Revised Law

Sec. 5018.0004. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to effect its purposes. (Acts 53rd Leg., R.S., Ch. 370, Sec. 19.)

22 Source Law

Sec. 19. This Act and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

SUBCHAPTER B. DISTRICT ADMINISTRATION

27 Revised Law

- Sec. 5018.0051. BOARD OF COMMISSIONERS; TERM; ELECTION.
- 29 (a) The district is governed by a board composed of five elected 30 commissioners.
- 31 (b) Commissioners serve staggered four-year terms.
- 32 (c) The district shall hold an election in the district on
- 33 the uniform election date in May of each even-numbered year to elect
- 34 commissioners.

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35 (d) The board has the rights and powers conferred and

- 1 imposed on navigation and canal commissioners and commissioners
- 2 courts by Chapter 62, Water Code. (Acts 53rd Leg., R.S., Ch. 370,
- 3 Secs. 3 (part), 8(a) (part), (c).)

4 Source Law

- Sec. 3. The management and control of said District is hereby vested in a Board of Commissioners, which shall be composed of five (5) persons, Said Board of Commissioners shall have and exercise the rights, powers, and authority conferred and imposed upon navigation and canal commissioners and commissioners' courts by Chapter 5, Acts of the Thirty-ninth Legislature of Texas, 1925 (Article 8263h, Vernon's Texas Civil Statutes), as the same is now or hereafter may be amended, and . . .
- Sec. 8. (a) The District shall hold an election in the District on the first Saturday of May in each even-numbered year for the election of five (5) Commissioners, . . .
- (c) Except as provided by Subsection (d) of this section, the Commissioners serve staggered four-year terms.

Revisor's Note

- (1) Section 3, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that "management and control of said District is hereby vested in" the board. The revised law substitutes "is governed by" for the quoted language because in context the phrases have the same meaning and the latter phrase is more consistent with modern usage.
- (2) Section 3, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to the board's "powers" and "authority." The revised law omits the reference to "authority" because, in context, "authority" is included in the meaning of "powers."
- (3) Section 3, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to "Chapter 5, Acts of the Thirty-ninth Legislature of Texas, 1925 (Article 8263h, Vernon's Texas Civil Statutes), as the same is now or hereafter may be amended." Chapter 5, General Laws, Acts of the 39th Legislature, Regular

Session, 1925, was set out in the Revised Civil 1925, following Article Statutes of 8263, additional legislation. Chapter 5 was not assigned a specific article number, but for purposes of clarity, West Group, a private legal publisher, supplied an unofficial citation and designated Chapter 5 Article 8263h of those statutes published under the title Vernon's Texas Civil Statutes. Article 8263h, Vernon's Texas Civil Statutes, was subsequently codified as part of Chapter 62, Water Code, by Chapter 58, Acts of the 62nd Legislature, Regular Session, 1971. Consequently, the revised law substitutes a reference to Chapter 62, Water Code. Although Chapter 62, Water Code, includes provisions that were not part of Article 8263h, the reference to Chapter 62, Water Code, is nevertheless appropriate because Section 2, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953 (revised in pertinent part in this Section 5018.0101), provides that chapter as district has all powers, rights, privileges, functions conferred by general law on navigation districts created or operating under Section 59, Article XVI, Texas Constitution, and Chapter 62, Water Code, is such a general law.

The revised law omits the reference to "as the same is now or hereafter may be amended" as unnecessary. Section 311.027, Government Code (Code Construction Act), applicable to the revised law, states that a reference to a statute includes all reenactments, revisions, or amendments of that statute.

(4) Section 8(a), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, as amended by Chapter 723, Acts of the 71st Legislature, Regular

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Session, 1989, requires commissioners' elections to be held on the "first Saturday of May." From 1987 to 2003, Section 41.001, Election Code, provided for a uniform election date for all political subdivisions on the first Saturday in May. In Chapter 1315, Acts of the 78th Legislature, Regular Session, 2003, legislature amended Section 41.001 by moving the uniform election date in May to the third Saturday. In Chapter 1, Acts of the 78th Legislature, 3rd Called Session, 2003, the legislature amended Section 41.001 by moving the uniform election date in May back to the In Chapter 471, Acts of the 79th first Saturday. Legislature, Regular Session, 2005, the legislature amended Section 41.001 by moving the uniform election date in May to the second Saturday. The revised law substitutes "uniform election date in May" for "first Saturday of May" to reflect those changes while preserving as closely as possible the legislative intent expressed in the 1989 amendment to Section 8(a) that the election be held on the first Saturday of May, which was then the uniform election date in May.

- (5) Section 8(c), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that commissioners serve staggered terms of four years, "[e]xcept as provided by Subsection (d) of this section." The revised law omits the quoted language as unnecessary because Section 8(d), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, to which the quoted language refers, is omitted from the revised law for the reason stated in Revisor's Note (6) to this section.
- (6) Section 8(d), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, contains transition language regarding commissioners'

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elections for the years 1990 and 1992 and the terms of the commissioners elected office of at those elections. Section 8(d) also establishes a pattern under which two specific positions on the board are elected in 1992 and every fourth year thereafter, and the remaining three specific positions are elected in 1994 and every fourth year thereafter. The revised law omits the language related to the 1990 and 1992 elections as executed because the elections have been held and the terms of office of those commissioners have expired. To the extent the omitted language establishes a pattern under which specific positions are on the ballot, retaining the language unnecessary because Section 8(c), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, revised in this chapter as Section 5018.0051(b), requires that the commissioners serve staggered four-year terms; district must accordingly, the hold elections following that established pattern. The omitted law reads:

> (d) In the District's 1990 Commissioner's election, the persons elected to represent Precinct Two (2) and Precinct Three (3) serve two-year terms. The persons elected to represent Precinct One (1), Precinct Four (4), and the District large serve four-year terms. at District's 1992 Commissioner's election, the persons elected to represent Precinct election, (2) and Precinct Three (3) serve four-year terms.

32 <u>Revised Law</u>

Sec. 5018.0052. COMPOSITION OF BOARD; QUALIFICATIONS. (a)

One commissioner must reside in each county commissioners precinct

of Orange County and one commissioner must reside in the county at

large.

- (b) Each commissioner must:
- (1) be a qualified voter of the district; and
- 39 (2) own taxable real property located in the district.

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1 (c) The candidates receiving the highest number of votes 2 from each county commissioners precinct and the county at large 3 shall be declared elected. (Acts 53rd Leg., R.S., Ch. 370, Secs. 3 4 (part), 8(a) (part).)

Source Law

Sec. 3. . . . [a Board of Commissioners, which shall be composed of five (5) persons,] one (1) who shall reside in Precinct 1 of Orange County, one (1) who shall reside in Precinct 2 of Orange County, one (1) who shall reside in Precinct 3 of Orange County, one (1) who shall reside in Precinct 4 of Orange County, and one (1) who shall reside in Orange County at large and shall be qualified voters therein who own real property therein which has been duly rendered for taxation. . .

Sec. 8. (a) . . . five (5) Commissioners, four (4) of whom shall reside in the respective Commissioners' Precincts of Orange County and one of whom shall reside in said County at large and all of whom shall possess the other qualifications as set forth in Section 3 of this Act. Those receiving the highest number of votes for the respective places from said Precincts One (1), Two (2), Three (3), Four (4), and the County at large on said Commission shall be declared elected.

Revisor's Note

Section 3, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that commissioners must own "real property" located in the district "which has been duly rendered for taxation." The revised law omits the language relating to rendering property for taxation because the Tax Code does not require that real property be rendered for taxation. However, the revised law adds "taxable" to the reference to "real property" to preserve the legislature's intent that a commissioner own real property in the district that is subject to taxation.

Revised Law

Sec. 5018.0053. POLLING PLACES. For all elections held under this chapter, the board, in each election order, shall designate the number and location of polling places, provided that at least one polling place is located in each of the county commissioners precincts. (Acts 53rd Leg., R.S., Ch. 370, Sec. 17

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2 Source Law

Sec. 17. . . . For all elections called and held under the provisions of this Act, the number and location of boxes shall be established and set by the Board of Commissioners in the order calling the election, provided however, that at least one voting box will be established and set in each of the Commissioners' precincts.

Revisor's Note

- (1) Section 17, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to an election "called and held." Throughout this chapter, the revised law omits references to calling an election or other similar language because under Chapter 3, Election Code, all elections must be ordered (called) before they may be held.
- (2) Section 17, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to "boxes" and a "voting box." The revised law substitutes "polling places" and "polling place" for the quoted language because, in context, the meanings of the terms are the same and "polling place" is more commonly used.
- (3) Section 17, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the number and location of boxes or voting boxes shall be "established and set" by the board. The revised law substitutes "designate" for the quoted language to conform to the language used in Chapter 43, Election Code.

32 <u>Revised Law</u>

- 33 Sec. 5018.0054. COMMISSIONER'S OATH AND BOND. Not later 34 than the 10th day after the date of the commissioner's election, 35 each commissioner shall:
- 36 (1) take and subscribe an oath of office with 37 conditions in the oath as provided by law for members of the county

- 1 commissioners court; and
- 2 (2) enter into a good and sufficient bond in the amount
- 3 of \$1,000 payable to the district, conditioned on the faithful
- 4 performance of the commissioner's duties as a commissioner. (Acts
- 5 53rd Leg., R.S., Ch. 370, Sec. 13.)

6 Source Law

7 Each of the Commissioners within ten Sec. 13. 8 (10) days after his election, shall take and subscribe an oath of office with conditions therein as provided 9 by law for members of the County Commissioners' Court, 10 and enter into a good and sufficient bond in the sum of 11 12 One Thousand Dollars (\$1,000) payable to the District, faithful performance of 13 conditioned upon his 14 duties.

Revised Law

- 16 Sec. 5018.0055. COMPENSATION OF COMMISSIONERS; EXPENSES.
- 17 (a) At the first meeting after each election, the commissioners by
- 18 order shall set the amount of compensation to be received by a
- 19 commissioner for each day served, not to exceed \$600 per year, plus
- 20 actual traveling expenses.
- 21 (b) Each month or as soon as practicable following each
- 22 month, each commissioner shall file with the district's secretary a
- 23 statement showing the amount owed to the commissioner. A check may
- 24 not be issued to the commissioner until the commissioner has filed
- 25 the statement with the secretary. (Acts 53rd Leg., R.S., Ch. 370,
- 26 Sec. 10.)

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27 Source Law

28 The Commissioners shall by order at the first meeting after each election set and establish 29 30 the compensation to be received by each Commissioner for his services, for each day served, provided that 31 32 such compensation shall not exceed Six Hundred Dollars (\$600.00) per year, plus actual traveling expenses. Each Commissioner shall file with the Secretary a 33 34 35 statement showing the amount due him each month or as 36 soon thereafter as practicable, and before a check 37 shall be issued therefor.

Revisor's Note

Section 10, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the commissioners shall "set and establish" the compensation of commissioners. The revised law omits

- 1 "establish" because, in context, "establish" is
- included in the meaning of "set."

3 Revised Law

- 4 Sec. 5018.0056. VACANCIES. (a) A vacancy on the board
- 5 shall be filled by board appointment until the next commissioners'
- 6 election. If the vacant position is not regularly scheduled to be
- 7 filled at that election, the person elected to fill the position
- 8 serves only for the remainder of the unexpired term.
- 9 (b) A person appointed under this section must have the same
- 10 qualifications as a person elected to the board. (Acts 53rd Leg.,
- 11 R.S., Ch. 370, Sec. 8(e).)

12 Source Law

- 13 All vacancies on the Board of Commissioners 14 shall be filled by appointment of the Board until the Commissioner's 15 election, person and а appointed shall possess the same qualifications as a person elected to such office. If the vacant position 16 17 is not regularly scheduled to be filled at the next 18 Commissioner's election, the person elected to fill the vacancy serves only for the remainder of the 19 20 21 unexpired term.
- 22 <u>Revised Law</u>
- Sec. 5018.0057. OFFICERS AND EMPLOYEES. (a) As soon as
- 24 practicable after each election of commissioners, the board shall
- 25 elect a president, vice president, and secretary and treasurer.
- 26 (b) The board may:
- 27 (1) employ a port director and other officers as
- 28 required to manage and operate the district and, subject to the
- 29 board's orders, delegate that authority;
- 30 (2) employ and prescribe the duties of officers,
- 31 agents, and employees;
- 32 (3) set the compensation of officers, agents, and
- 33 employees; and
- 34 (4) remove any employee. (Acts 53rd Leg., R.S., Ch.
- 35 370, Secs. 2 (part), 7, 11 (part).)
- 36 Source Law
- 37 Sec. 2. . . . Without limitation of the
- 38 generality of the foregoing, the District shall have
- and is hereby authorized to exercise the following

powers, rights, privileges, and functions:

(f) To employ officers, agents and employees, to prescribe their duties and to fix their compensation.

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Sec. 7. As soon as practicable after the election of the first Board of Commissioners, and as soon as practicable after the election of each succeeding Board of Commissioners, there shall be elected by the Board a President, Vice-President, and Secretary and Treasurer of the District to serve during the tenure of office of the Board of Commissioners so electing such officers.

Sec. 11. The Commissioners may employ a port director and/or such other officers as may be required for the management and operation of the District and may delegate such authority subject to the orders of the Board of Commissioners. Compensation to be paid such officials and all employees shall be fixed by the Board of Commissioners and all employees may be removed by the Board.

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Revisor's Note

- Section 2, Chapter 370, Acts of the 53rd (1)Legislature, Regular Session, 1953, states that, "[w]ithout limitation of the generality foregoing," the district has certain powers. Throughout this chapter, the revised law omits the quoted or similar language because it is an accepted general principle of statutory construction that a grant of a power does not act as a limitation. Additionally, Section 311.021(2), Government Code (Code Construction Act), provides that it is presumed that, in enacting a statute, the entire statute is intended to be effective.
- (2) Section 2, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the district "shall have and is hereby authorized to exercise" certain powers, rights, privileges, and functions. Throughout this chapter, the revised law substitutes "has" or "may" for the quoted language because, in context, the language is synonymous, and "has" and "may" are more commonly used.
- (3) Section 2(f), Chapter 370, Acts of the 53rd

- Legislature, Regular Session, 1953, provides that the district has the authority to "fix" the compensation of officers, agents, and employees employed by the district. Section 11, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the compensation of the district officials and employees shall be "fixed" by the board. The revised law substitutes "set" for "fix" and "fixed" because the terms are synonymous in this context and "set" is more commonly used.
 - (4) Section 7, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, requires the board to elect officers "[a]s soon as practicable after the election of the first Board of Commissioners." The revised law omits the quoted language as executed.
- (5) Section 7, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to "each succeeding Board of Commissioners" to distinguish between succeeding boards of commissioners and the initial board of commissioners referred to in that section. The revised law omits "succeeding" because all provisions referring to the initial board are omitted as executed and the distinction is no longer required.

25 Revised Law

- Sec. 5018.0058. OFFICER'S OR EMPLOYEE'S SURETY BOND. (a) A bond required of a district officer or employee must be executed by a surety company authorized to do business in this state as surety on the bond.
- 30 (b) The district may pay the premium on the bond. (Acts 53rd 31 Leg., R.S., Ch. 370, Sec. 11 (part).)

32 Source Law

All bonds required to be given by officers and employees of the District shall be executed by a surety

1 company authorized to do business in the State as surety thereon, and the District shall be authorized 2 to pay the premium on such bonds. 3 4 Revised Law 5 Sec. 5018.0059. DISTRICT OFFICE. A regular office shall be established and maintained for conducting district business in the 6 7 district's territory. (Acts 53rd Leg., R.S., Ch. 370, Sec. 9 8 (part).) 9 Source Law office shall be 10 A regular established and maintained for conduct of the District 11 12 business within the District. 13 Revised Law Sec. 5018.0060. CONFLICT OF INTEREST; CRIMINAL PENALTY. 14 15 (a) A district commissioner, engineer, or employee, personally or 16 as an agent for another person, may not benefit directly or indirectly from a sale, purchase, or contract entered into by the 17 board. 18 19 (h) A person commits an offense if the person violates this An offense under this subsection is a misdemeanor 20 section. 21 punishable by:

- 22 (1) a fine not to exceed \$1,000;
- 23 (2) confinement in the county jail for not less than
- 24 six months or more than one year; or
- 25 (3) both the fine and confinement. (Acts 53rd Leg.,
- 26 R.S., Ch. 370, Sec. 11 (part).)

27 Source Law

28 Sec. 11. . . .

No Commissioner, engineer or employee of the District, either for themselves or as agent for anyone else, shall benefit directly or indirectly by reason of any sale, purchase or contract entered into by the Board. If any such person shall directly or indirectly become interested in any such contract, sale, or purchase, he shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine in any sum of not to exceed One Thousand Dollars (\$1,000) or by confinement in the county jail for not less than six (6) months nor more than one (1) year or by both fine and imprisonment.

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Revisor's Note (End of Subchapter)

(1) Section 8(b), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that all elections for commissioners shall be called by the board of commissioners. The revised law omits that provision as unnecessary because it duplicates in substance Section 3.004(a)(3), Election Code, applicable to the district under Sections 1.002 and 3.001, Election Code, which provides that the governing body of a political subdivision that has elective offices shall order the general election for those officers. The omitted law reads:

- (b) All elections for Commissioners
 shall be called by the Board of
 Commissioners, and . . .
- (2) Section 8(b), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the board shall canvass the election returns and declare the results of elections of commissioners. The revised law omits that provision as superseded by the 1985 enactment of the Election Code, applicable to the district under Section 1.002, Election Code. Chapter 67, Election Code, provides for the canvass of elections. The omitted law reads:
 - (b) . . . said Board shall also canvass the election returns and declare the results of such election, and . . .
- (3) Section 8(b), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides for the eligibility of voters to vote in a commissioners' election. The revised law omits that provision because Chapter 11, Election Code, applicable to the district under Section 1.002, Election Code, governs eligibility to vote in an election in this state and allows only qualified voters who are residents of the territory covered by the election to vote in an

1	election. The omitted law reads:
2 3 4	(b) all duly qualified resident electors of the District shall be qualified to vote in such elections.
5	(4) Section 8(f), Chapter 370, Acts of the 53rd
6	Legislature, Regular Session, 1953, provides that,
7	except as provided by that section, a commissioners'
8	election is governed by the Election Code. The revised
9	law omits that provision because Section 1.002,
10	Election Code, provides that the Election Code applies
11	to all elections held in this state. An exception to
12	the application of the Election Code would apply by its
13	own terms. The omitted law reads:
14 15 16	(f) Except as provided by this section, a Commissioner's election is governed by the Election Code.
17	SUBCHAPTER C. POWERS AND DUTIES
18	Revised Law
19	Sec. 5018.0101. GENERAL AND NAVIGATION DISTRICT POWERS.
20	The district has:
21	(1) the powers of government and the authority to
22	exercise the rights, privileges, and functions specified by this
23	chapter; and
24	(2) all powers, rights, privileges, and functions
25	conferred by general law, including Chapter 62, Water Code, on any
26	navigation district created or operating under Section 59, Article
27	XVI, Texas Constitution. (Acts 53rd Leg., R.S., Ch. 370, Secs. 1
28	(part), 2 (part), 3 (part).)
29	Source Law
30 31 32 33 34 35 36 37 38 39 40 41 42	Sec. 1 Such District with the powers of government and with the authority to exercise the rights, privileges and functions hereinafter specified, and Sec. 2. Except as expressly limited by this Act, the District shall have and is hereby authorized to exercise all powers, rights, privileges, and functions which are now, or hereafter may be, conferred by general law upon any navigation district or districts created pursuant to, or operating under, Section 59, Article 16, Constitution of Texas Sec. 3 [Chapter 5, Acts of the Thirty-ninth Legislature of Texas, 1925 (Article

8263h, Vernon's Texas Civil Statutes)] . . . said Chapter 5 shall in all ways apply to the District except as the same may be in conflict or inconsistent with the provisions of this Act, in which event or events the provisions of this Act shall control. . . .

Revisor's Note

- Section 2, Chapter 370, Acts of the 53rd (1)Legislature, Regular Session, 1953, provides that "[e]xcept as expressly limited by this Act," the district has all powers, rights, privileges, and functions "which are now, or hereafter may be" conferred on navigation districts by general law. Section 3, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that certain provisions of general law apply to the district "except as the same may be in conflict or inconsistent with the provisions of this Act, in which event or events the provisions of this Act shall control." The revised law omits the quoted provisions because they are both unnecessary and potentially misleading. the extent the provisions mean that the act prevails over other law in existence at the time the act became effective and with which the act conflicts, the provisions merely restate general rules of statutory construction, and any limitations expressed in the act would apply by their own terms. To the extent the mean the act prevails provisions over future enactments of the legislature that may conflict with it, the provisions are misleading. It is a fundamental principle of statutory construction that one session of the legislature may not bind a future session of the legislature. In addition, Section 311.026, Government Code (Code Construction Act), governs the interpretation of the revised law in instances of apparent conflict with other laws.
 - (2) Section 3, Chapter 370, Acts of the 53rd

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Legislature, Regular Session, 1953, refers to "said 1 Chapter 5," meaning Chapter 5, General Laws, Acts of 2 3 the 39th Legislature, Regular Session, 1925. The 4 revised law substitutes a reference to Chapter 62, Water Code, for the quoted language for the reason 5 stated in Revisor's Note (3) to Section 5018.0051.

Revised Law

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8 Sec. 5018.0102. POWERS REGARDING WHARVES, DOCKS, AND OTHER FACILITIES. The district may: 9

acquire, take over, construct, maintain, repair, 10 (1)11 operate, develop, and regulate wharves, docks, warehouses, grain elevators, dumping facilities, belt railways, lands, and other 12 13 facilities or aids consistent with or necessary to the operation or 14 development of ports or waterways in the district; and

(2) construct, extend, improve, repair, maintain, and 15 16 reconstruct, cause to be constructed, extended, 17 repaired, maintained, and reconstructed, and own, rent, lease, use, and operate any facility of any kind necessary or convenient to the 18 exercise of the powers, rights, privileges, and functions granted 19 20 by this chapter. (Acts 53rd Leg., R.S., Ch. 370, Sec. 2 (part).)

Source Law

. the District shall have and is Sec. 2. hereby authorized to exercise the following powers, rights, privileges, and functions:

- (a) The right, power and authority to acquire, purchase, take over, construct, maintain, repair, and regulate operate, develop wharves, warehouses, grain elevators, dumping facilities, belt railways, lands and all other facilities or operation consistent to or necessary to the development of ports or waterways within the District; and .
- (b) To construct, extend, improve, repair, maintain, and reconstruct, cause to be constructed, improved, repaired, extended, maintained own, rent, reconstructed, and to lease, use and operate any and all facilities of any kind necessary or convenient to the exercise of such powers, rights, privileges and functions, as are herein granted.

41 Revisor's Note

Section 2(a), Chapter 370, Acts of the 53rd 42 43 Legislature, Regular Session, 1953, grants the district the power to "acquire" and "purchase" certain

2 property. The revised law omits the reference to

"purchase" because "purchase" is included in the

4 meaning of "acquire."

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5 <u>Revi</u>sed Law

6 Sec. 5018.0103. LIMITATION ON CERTAIN POWERS. This chapter

7 may not be construed as granting the district or the board any power

- 8 over the appointment, operations, or conduct of:
- 9 (1) a branch pilot appointed under Section 69.037,
- 10 Transportation Code; or
- 11 (2) the board of pilot commissioners described by
- 12 Section 69.011, Transportation Code. (Acts 53rd Leg., R.S., Ch.
- 13 370, Sec. 2(j) (part).)

14 Source Law

(j) Nothing contained in this Act shall be construed as granting the District or the Board of Commissioners thereof any power or authority over the appointment, operations, or conduct of the Branch Pilots of the Sabine Bar and the Pilots Commission of the Sabine Bar, . . .

Revisor's Note

- (1) Section 2(j), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to the district's or board's "power or authority." The revised law omits the reference to "authority" for the reason stated in Revisor's Note (2) to Section 5018.0051.
- Section 2(j), Chapter 370, Acts of the 53rd 28 Legislature, Regular Session, 1953, refers to "the 29 Branch Pilots of the Sabine Bar and the Pilots 30 Commission of the Sabine Bar." Chapter 745, Acts of 31 the 78th Legislature, Regular Session, 2003, amended 32 33 Chapter 69, Transportation Code, to provide for a specific board of pilot commissioners for all of the 34 35 ports and private terminals located in Jefferson and Orange Counties and to provide for the appointment and 36

regulation of branch pilots for those ports and private terminals, effectively replacing the Pilots Commission of the Sabine Bar. The revised law is drafted accordingly.

- (3) Section 2(j), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that it is the intent of the legislature to exclude certain entities from the operation of that act. The revised law omits that provision as unnecessary because it is implied that a statute expresses the intent of the legislature. The omitted law reads:
- (j) . . . it being the intent of the Legislature to exclude the Branch Pilots of the Sabine Bar and Tributaries and the Pilots Commission of said Bar from the operation of any part of this Act.

<u>Revised Law</u>

Sec. 5018.0104. BYLAWS AND RULES. The district may adopt bylaws and rules to manage and regulate its affairs. (Acts 53rd Leg., R.S., Ch. 370, Sec. 2 (part).)

21 Source Law

- Sec. 2. . . the District shall have and is hereby authorized to exercise the following powers, rights, privileges, and functions:
- 25 ...
 26 (e) To make by-laws, rules and regulations for
 27 the management and regulation of its affairs.
 28 ...

29 <u>Revisor's Note</u>

30 Section 2(e), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, authorizes the 31 district to "make by-laws, rules and regulations." 32 33 revised law substitutes "adopt" for because, in context, the terms are synonymous and 34 35 "adopt" is more commonly used. The revised law also omits the reference to "regulations" because under 36 311.005(5), Government 37 Section Code (Code 38 Construction Act), a rule is defined to include a regulation. 39

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1 Revised Law

- Sec. 5018.0105. ACQUISITION OF PROPERTY; EMINENT DOMAIN;
- 3 DAMAGES. (a) In this section, "property" means property of any
- 4 kind, including a lighter, a tug, a barge, and other floating
- 5 equipment of any nature.
- 6 (b) If necessary or convenient to exercising a power, right,
- 7 privilege, or function conferred on the district by this chapter,
- 8 the district:
- 9 (1) by gift or purchase may acquire property or an
- 10 interest in property that is inside or outside the district's
- 11 boundaries; or
- 12 (2) by exercising the power of eminent domain may
- 13 acquire property or an interest in property that is inside the
- 14 district's boundaries.
- 15 (c) The district may exercise the power of eminent domain to
- 16 acquire the fee simple title to or an easement or right-of-way over
- 17 and through any land, water, or land under water, private or public,
- 18 in the district that the board determines is necessary or
- 19 convenient to carry out a purpose or power granted to the district
- 20 by this chapter.
- 21 (d) The district must exercise the power of eminent domain
- 22 in the manner provided by Chapter 21, Property Code, except that the
- 23 district is not required to give bond for appeal or bond for costs
- 24 in any judicial proceeding.
- (e) In exercising the power of eminent domain against a
- 26 person that has the power of eminent domain or a receiver or trustee
- 27 for that person, the district may acquire an easement only and not
- 28 the fee simple title.
- 29 (f) A condemnation proceeding is under the board's
- 30 direction and must be in the district's name.
- 31 (g) Except as provided by Subsections (h) and (i), the
- 32 assessment of damages and all procedures with reference to
- 33 condemnation, appeal, and payment must conform to Chapter 21,
- 34 Property Code.

- 1 (h) If the district's exercise of a power granted by this
- 2 chapter makes necessary the relocation of a railroad line or
- 3 right-of-way, the district shall pay the cost of the relocation and
- 4 any damage incurred in changing and adjusting the railroad lines
- 5 and grades.
- 6 (i) The damages to the owner of public utilities and
- 7 communication facilities and properties must include the actual
- 8 loss, costs, and expenses incident to the removal and relocation of
- 9 the facilities and properties, including:
- 10 (1) the costs of installing the facilities in a new
- 11 location;
- 12 (2) the costs of any land or rights or interest in
- 13 land; and

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- 14 (3) any other property rights acquired to accomplish
- 15 the removal and relocation.
- 16 (j) The district's authority under this section to exercise
- 17 the power of eminent domain expired on September 1, 2013, unless the
- 18 district submitted a letter to the comptroller in accordance with
- 19 Section 2206.101(b), Government Code, not later than December 31,
- 20 2012. (Acts 53rd Leg., R.S., Ch. 370, Sec. 2 (part); New.)

21 Source Law

- Sec. 2. . . the District shall have and is hereby authorized to exercise the following powers, rights, privileges, and functions:
- (i) To acquire by gift or purchase any and all properties of any kind including lighters, tugs, barges and other floating equipment of any nature, real, personal or mixed or any interest therein within or outside of the boundaries of the District necessary or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this Act, and to acquire by condemnation within the boundaries of the District in a manner provided by general law for condemnation by counties; providing that the District shall not be required to give bond appeal or bond for cause in any judicial and the right of eminent domain proceeding; expressly conferred in this District, to enable it to acquire the fee simple title to, and easement or right of way over and through, any and all lands, water or lands under water, private or public, within such District, which in the judgment of the Board of Commissioners is necessary or convenient to carry out any of the purposes and powers conferred upon such District by this Act; provided, however, that as

1 against persons, firms and corporations, or receivers 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

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or trustees thereof, who have the power of eminent domain, the fee title may not be condemned, but the District may condemn only an easement. All such condemnation proceedings shall be under the direction of the Commissioners and in the name of the District, and the assessment of damages and all procedures with reference to condemnation, appeal and payment shall be in conformity with the Statutes of this State provided in the title of the Revised Civil Statutes of Texas relating to 'Eminent Domain.' In the event it becomes necessary in the exercise of the conferred by this Act that any railroad line or right of way should be relocated, the cost of such relocation and any damage incurred in changing and adjusting the lines and grades of such railroad shall be paid by the District. The damages to the owner of public utilities and communication facilities and properties shall include the actual loss, costs and expenses incident to the removal as well as the relocation of the facilities and properties, including the costs of installing the facilities in a new location, and the costs of any land or rights or interest in land, and any other property rights acquired to accomplish such removal and relocation.

Revisor's Note

- Section 2(i), Chapter 370, Acts of the 53rd (1)Legislature, Regular Session, 1953, refers "properties of any kind . . . real, personal mixed." The revised law omits the reference to "real, personal or mixed" property because under Section 311.005(4), Government Code (Code Construction Act), "property" includes both real and personal property, and "mixed" property is property consisting of both real and personal property.
- Section 2(i), Chapter 370, Acts of the 53rd (2)Legislature, Regular Session, 1953, provides that the district may acquire certain property "by condemnation." The revised law substitutes for the quoted language "by exercising the power of eminent domain" because the phrases have the same meaning and the latter phrase is consistent with modern usage in laws relating to eminent domain.
- (3)Section 2(i), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the district must exercise the power of eminent domain in

- the manner provided by "general law for condemnation by counties." The revised law substitutes for the quoted language a reference to Chapter 21, Property Code, because that is the general law governing eminent domain for governmental entities, including counties.
- (4) Section 2(i), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that "the right of eminent domain is expressly conferred in this District." The revised law substitutes for the quoted language a statement that the district "may exercise the power of eminent domain" because the provisions have the same meaning and the reference to the exercise of the power of eminent domain is consistent with modern usage in laws relating to eminent domain.
- (5) Section 2(i), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to "fee simple title" and "fee title." The revised law substitutes "fee simple title" for the latter phrase for consistency of terminology.
- (6) Section 2(i), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to "persons, firms and corporations." The revised law omits the reference to "firms and corporations" because under Section 311.005(2), Government Code (Code Construction Act), "person" is defined to include a corporation or any other legal entity.
- (7) Section 2(i), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, requires the district's procedures for condemnation to conform to "the Statutes of this State as provided in the title of the Revised Civil Statutes of Texas relating to 'Eminent Domain.'" The title of the Revised Statutes to which the quoted language refers is Title

- 52. In 1983, Title 52, Revised Statutes, was codified as Chapter 21, Property Code. Therefore, the revised law substitutes a reference to Chapter 21, Property Code, for the quoted language.
- Legislature, Regular Session, 1953, provided the district limited eminent domain authority. Section 2206.101, Government Code, required an entity with eminent domain authority to submit a letter with certain information to the comptroller not later than December 31, 2012, to prevent the entity's eminent domain authority from expiring on September 1, 2013. To avoid the appearance that this revision recognizes authority that the district may not possess at the time of the revision, the revised law includes a provision setting out the requirements of Section 2206.101, Government Code.

18 <u>Revised Law</u>

Sec. 5018.0106. ACQUISITION OF PROPERTY FROM CITY ORANGE. (a) The district may acquire from the City of Orange, with the consent of the City of Orange as provided by the city's charter, the city's port properties, lands, assets, liabilities, contracts, improvement plans, money on hand, and facilities acquired by the city for port purposes.

(b) The manner of the acquisition authorized under this section must be determined between the City of Orange's city commission and the board. (Acts 53rd Leg., R.S., Ch. 370, Sec. 4.)

Source Law

Sec. 4. Said District shall have authority to acquire from the City of Orange, with the consent of the City of Orange, evidence as may be provided in its charter all of its port properties, lands, assets, liabilities, contracts, improvement plans, moneys and/or funds on hand and facilities acquired by said City for port purposes in a manner to be determined between the City Commission of the City of Orange, and said Board of Commissioners of such District.

1	<u>Revisor's Note</u>					
2	Section 4, Chapter 370, Acts of the 53rd					
3	Legislature, Regular Session, 1953, refers to "moneys					
4	and/or funds" on hand. Throughout this chapter, the					
5	revised law substitutes "money" for the quoted or					
6	similar language because, in context, the meaning is					
7	the same and "money" is the more commonly used term.					
8	Revised Law					
9	Sec. 5018.0107. GENERAL AUTHORITY TO MAKE CONTRACTS AND					
10	EXECUTE INSTRUMENTS. The district may make a contract or execute an					
11	instrument necessary or convenient to exercise a power, right,					
12	privilege, or function granted to the district by this chapter.					
13	(Acts 53rd Leg., R.S., Ch. 370, Sec. 2 (part).)					
14	Source Law					
15 16 17 18 19 20 21 22 23	Sec. 2 the District shall have and is hereby authorized to exercise the following powers, rights, privileges, and functions:					
	(g) To make contracts and execute instruments necessary or convenient to the exercise of the powers, rights, privileges and functions conferred upon it by this Act.					
24	Revised Law					
25	Sec. 5018.0108. AUTHORITY TO SUE AND BE SUED. The district					
26	may sue and be sued in its corporate name. (Acts 53rd Leg., R.S.,					
27	Ch. 370, Sec. 2 (part).)					
28	Source Law					
29 30 31 32 33 34	Sec. 2 the District shall have and is hereby authorized to exercise the following powers, rights, privileges, and functions:					
	(c) To sue and be sued in its corporate name.					
35	Revised Law					
36	Sec. 5018.0109. SEAL. The district may adopt and use a					
37	corporate seal. (Acts 53rd Leg., R.S., Ch. 370, Sec. 2 (part).)					
38	Source Law					
39 40 41 42	Sec. 2 the District shall have and is hereby authorized to exercise the following powers, rights, privileges, and functions:					

1 (d) To adopt, use and alter a corporate seal.

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3 <u>Revisor's Note</u>

Section 2(d), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, states that the district may "adopt, use and alter a corporate seal." The revised law omits "alter" because the power to adopt a seal includes the power to alter it.

9 Revised Law

10 Sec. 5018.0110. POWERS AND LIMITATIONS REGARDING

- 11 LEVINGSTON ISLAND IN LOUISIANA. (a) On approval by resolution of
- 12 the board, the district may purchase for the district the following
- 13 property: Levingston Island, also known as Harbor Island, located
- 14 in the bend of the Sabine River, opposite the City of Orange and
- 15 located in Calcasieu Parish, Louisiana.
- 16 (b) The property purchased under this section is not
- 17 territory in the district's boundaries. The authority to purchase
- 18 the property described in this section and the purchase of that
- 19 property is not the annexation or attempted annexation of the
- 20 property to the State of Texas from the State of Louisiana.
- 21 (c) The district may:
- 22 (1) provide projects and facilities on the property
- 23 purchased under this section for purposes of economic development
- 24 to benefit the district; and
- 25 (2) issue bonds and other obligations of the district
- 26 secured by the revenue from the projects and facilities provided on
- 27 the property purchased under this section for the purposes of
- 28 constructing, acquiring, and maintaining those projects and
- 29 facilities.
- 30 (d) The district may not impose ad valorem taxes in the
- 31 district to finance the projects and facilities provided under this
- 32 section. (Acts 53rd Leg., R.S., Ch. 370, Sec. 2A.)
- 33 Source Law
- 34 Sec. 2A. (a) On approval by resolution of its
- Board of Commissioners, the District may purchase for
- 36 the District the following property: Levingston

- Island, also known as Harbor Island, located in the bend of the Sabine River, opposite the City of Orange and located in Calcasieu Parish, Louisiana.
- (b) The property purchased under Subsection (a) of this section is not a part of the territory within the boundaries of the District and the authority to purchase the property described in Subsection (a) of this section and the purchase of that property may not be construed as the annexation or attempted annexation of the property to the State of Texas from the State of Louisiana.
- (c) The District may exercise its authority under this Act to provide various projects and facilities on the property purchased under this section for purposes of economic development to benefit the District and may issue bonds and other obligations of the District secured by the revenues from the projects and facilities provided on the property purchased under this section for the purposes of constructing, acquiring, and maintaining those projects and facilities.
- (d) The District may not levy and collect property taxes within the District to finance the projects and facilities provided under this section.

Revisor's Note

Section 2A(d), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the district may not "levy and collect property taxes" for certain purposes. Throughout this chapter, the revised law substitutes "impose" for "levy," "assess," "collect," and similar terms because "impose" is the term generally used in Title 1, Tax Code, and includes the levying, assessment, and collection of a tax. The revised law also substitutes "ad valorem taxes" for "property taxes" because "ad valorem tax" is the term most commonly used in Texas law to refer to a tax on property.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

39 Revised Law

Sec. 5018.0151. DEPOSITORY. The board shall select a depository or depositories for the district in the manner provided by law for the selection of a county depository. (Acts 53rd Leg., R.S., Ch. 370, Sec. 12.)

Source Law

Sec. 12. The Board of Commissioners of the District shall select a depository or depositories of said District under the general provisions as are now

- or may hereafter be provided by law for the selection of depositories for counties in this State.
- 3 Revised Law
- 4 Sec. 5018.0152. ACCOUNTS, CONTRACTS, AND OTHER RECORDS;
- 5 PUBLIC INSPECTION. (a) The board shall cause to be kept complete
- 6 and accurate accounts conforming to approved methods of
- 7 bookkeeping.
- 8 (b) The secretary shall:
- 9 (1) keep a true and full account of board meetings and
- 10 proceedings; and
- 11 (2) preserve board minutes, contracts, notices,
- 12 accounts, receipts, and other records in a fireproof vault or safe.
- 13 (c) The records kept and preserved by the secretary under
- 14 Subsection (b) are:
- 15 (1) district property; and
- 16 (2) subject to public inspection. (Acts 53rd Leg.,
- 17 R.S., Ch. 370, Sec. 9 (part).)
- 18 Source Law
- 19 The Board of Commissioners shall cause 20 to be kept complete and accurate accounts conforming to approved methods of bookkeeping. 21 The Secretary 22 shall keep a true and full account of their meetings 23 and proceedings and preserve their minutes, contracts, records, notices, accounts, receipts, and records of 24 25 all kinds in a fireproof vault or safe. The same shall be the property of the District and subject to public 26 27 inspection.
- 28 Revised Law
- Sec. 5018.0153. AUTHORITY TO BORROW MONEY, ACCEPT GRANTS,
- 30 AND ISSUE ASSOCIATED BONDS. (a) The district may:
- 31 (1) borrow money for any purpose that is provided by:
- 32 (A) this chapter; or
- 33 (B) the general laws relating to navigation
- 34 districts;
- 35 (2) borrow money or accept a grant from the United
- 36 States or from a corporation or agency created or designated by the
- 37 United States and, in connection with the loan or grant, enter into
- 38 any agreement the United States or the corporation or agency
- 39 requires; and

- 1 (3) make and issue bonds for money borrowed, in the
- 2 manner and to the extent provided by this chapter.
- 3 (b) The district may make and issue bonds under Subsection
- 4 (a)(3) that are:

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- 5 (1) revenue bonds;
- 6 (2) tax bonds; or
- 7 (3) combination tax-revenue bonds. (Acts 53rd Leg.,
- 8 R.S., Ch. 370, Sec. 2 (part).)

9 <u>Source Law</u>

Sec. 2. . . . the District shall have and is hereby authorized to exercise the following powers, rights, privileges, and functions:

. . .

(h) To borrow money for any of the purposes, consistent with the Constitution, provided by this Act or by the general laws relating to navigation districts (and without limitation of the generality of the foregoing, to borrow money and accept grants from the United States of America, or from any corporation or agency created or designated by the United States of America, and in connection with any such loan or grant to enter into such agreements as the United States of America or such corporations or agencies may require), and to make and issue its negotiable bonds (revenue, tax, and/or combination tax-revenue bonds) for such borrowed money in the manner and to the extent provided herein.

. . .

<u>Revisor's Note</u>

- Section 2(h), Chapter 370, Acts of the 53rd 30 Legislature, Regular Session, 1953, authorizes the 31 district to borrow money for certain purposes provided 32 by the act or by general law that are "consistent with 33 the Constitution." The revised law omits the quoted 34 language because the absence of the language does not 35 imply that the legislature could authorize 36 district to act in a manner that is inconsistent with 37 the constitution and because under Section 311.021(1), 38 39 Government Code (Code Construction Act), 40 presumed that, in enacting a statute, compliance with 41 the constitutions of this state and the United States 42 is intended.
- 43 (2) Section 2(h), Chapter 370, Acts of the 53rd

Legislature, Regular Session, 1953, authorizes the 1 district to issue "negotiable" bonds. The revised law 2 3 omits the reference to "negotiable" bonds because Section 1201.041, Government Code, provides that a 4 5 public security is а negotiable instrument. Throughout this chapter, the revised law omits law 6 that is superseded by Chapter 1201, Government Code, 7 8 or that duplicates law contained in that chapter. Chapter 1201, Government Code, applies to district 9 bonds under Sections 1201.002 and 1201.003, Government 10 Code. 11

12 Revised Law

- 13 Sec. 5018.0154. AUTHORITY TO BORROW MONEY FOR CURRENT
- 14 EXPENSES; EVIDENCE OF OBLIGATION. (a) The district may:
- 15 (1) borrow money for current expenses; and
- 16 (2) evidence the borrowed money by warrants payable
 17 not later than the close of the calendar year for which the loan is
 18 made.
- 19 (b) The amount of the warrants may not exceed the 20 anticipated revenue. (Acts 53rd Leg., R.S., Ch. 370, Sec. 2 21 (part).)

22 <u>Source Law</u>

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(a) . . . said District shall have the right to borrow funds for current expenses and to evidence the same by warrants payable not later than the close of any calendar year for which loans are made. Such warrants shall never exceed the anticipated revenue and . . .

30 <u>Revisor's Note</u>

Section 2(a), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the district's warrants may bear interest at a rate not to exceed six percent. The revised law omits that provision because it is superseded by other law. Chapter 3, Acts of the 61st Legislature, Regular

Session, 1969 (Article 717k-2, Vernon's Texas Civil 1204, Statutes), now Chapter Government Code, established a maximum interest rate for public Section 1204.006, securities. Government Code. reflecting the 1981 amendment of Article 717k-2 by Section 1, Chapter 61, Acts of the 67th Legislature, Regular Session, permits a public agency to issue public securities at any net effective interest rate of 15 percent or less. Throughout this chapter, the revised law omits law that is superseded by Chapter 1204, Government Code, or that duplicates law contained in that chapter. Section 1204.006, Government Code, applies to public securities issued by the district by application of Sections 1204.001 and 1204.002, Government Code. The omitted law reads:

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Sec. 2. . . . (a) . . . [Such warrants shall never exceed the anticipated revenue and] may bear, not to exceed, six per cent (6%) interest.

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22 Revised Law

23 Sec. 5018.0155. AD VALOREM TAXFOR MAINTENANCE AND 24 OPERATIONS; ELECTION PROCEDURE. (a) The district may impose an 25 annual ad valorem tax at a rate not to exceed 15 cents on each \$100 valuation of taxable property in the district for the maintenance, 26 27 operation, and upkeep of the district and the facilities, 28 properties, and improvements constructed or acquired by the

district. 29

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- 30 Elections may be held to increase, reduce, or abate a tax imposed under this section, subject to the limit prescribed by 31
- Subsection (a). 32
- 33 A maintenance tax election must be held in the same
- 34 manner as a bond election. (Acts 53rd Leg., R.S., Ch. 370, Secs. 5
- 35 (part), 17 (part).)

Source Law

2.4

Sec. 5. Said District shall be authorized to levy and cause to be assessed and collected for the maintenance, operation, and upkeep of said District and the facilities, properties, and improvements constructed or acquired by said District, an annual tax not to exceed fifteen cents (15¢) on each One Hundred Dollars (\$100) valuation of all taxable property within such District, whether real, personal, mixed, or otherwise; provided, that the receipts of said tax shall be used for maintenance, operation, and upkeep of the navigation and port facilities of the District; and Subsequent elections may be ordered and held for the purpose of increasing, reducing, or abating such tax; provided, however, that such tax shall never exceed the maximum herein prescribed.

Sec. 17. All maintenance tax elections, other than the election called and held under the provisions of Section 6 of this Act, shall be called and held in the same manner as bond elections. . .

Revisor's Note

- (1) Section 5, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, authorizes the district to impose a tax based on the value of the taxable property in the district. The revised law specifies that the tax is an "ad valorem" tax because it is clear from the source law that the tax is a property tax and "ad valorem" tax is the term most commonly used in Texas law to refer to a tax on property.
- (2) Section 5, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to "all taxable property . . . whether real, personal, mixed, or otherwise." The revised law omits the reference to "real, personal, mixed" for the reason stated in Revisor's Note (1) to Section 5018.0105. The revised law omits "or otherwise" because the three categories (real, personal, and mixed) encompass all property types, making "or otherwise" a phrase that provides no additional meaning.
 - (3) Section 5, Chapter 370, Acts of the 53rd

Legislature, Regular Session, 1953, provides that the receipts of a maintenance and operations tax "shall be used for maintenance, operation, and upkeep of the navigation and port facilities of the District." revised law omits the quoted language as duplicative of the authorization for the imposition of a tax "for maintenance, operation, and upkeep of District and the facilities, properties, and improvements constructed acquired οr bу said District."

(4) Section 5, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the imposition of a maintenance and operations tax must be approved by the district voters at an election. Because an election to impose the maintenance and operations tax was held and a majority of the voters approved the imposition of the tax, the revised law omits that provision as executed. The omitted law reads:

Sec. 5. provided, further, that the levying of such tax shall be first submitted to the qualified property taxpaying voters of said District at an election called and held as hereinafter the proposition shall provided and be adopted by a majority vote of those voting at the election. .

Section 5, Chapter 370, Acts of the 53rd (5)Legislature, Regular Session, 1953, refers "[s]ubsequent" elections to distinguish between the initial election to authorize the imposition of a maintenance and operations tax by the district and subsequent elections to change the rate of that tax. The revised law omits "[s]ubsequent" because initial provision relating to the election to authorize the imposition of maintenance a and operations tax is omitted as executed (see Revisor's

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- Note (4) to this section), and the distinction is no longer required.
- 3 Section 17, Chapter 370, Acts of the 53rd 4 1953, Legislature, Regular Session, refers to procedures for elections "other than the election 5 called and held under the provisions of Section 6 of 6 this Act." Because that election has been held, the 7 8 revised law omits the quoted language as executed.

9 Revised Law

- Sec. 5018.0156. IMPOSITION OF TAXES; TAX CERTIFICATION; TAX
 11 ASSESSOR-COLLECTOR. (a) A tax authorized by this chapter, whether
 12 for bonds or maintenance purposes, must be imposed by the board.
- 13 (b) Each year, the board shall certify to the Orange County
 14 tax assessor-collector the rate or rates of tax that the board has
 15 imposed for bonds and maintenance purposes.
- 16 (c) The Orange County tax assessor-collector shall assess
 17 and collect taxes imposed by the board in the manner provided by
 18 Chapter 62, Water Code. (Acts 53rd Leg., R.S., Ch. 370, Sec. 3
 19 (part).)

20 Source Law

Sec. 3. . . . It is expressly provided, however, that all taxes authorized by this Act, whether for bonds or maintenance purposes, shall be levied by the Board of Commissioners, and said Board each year shall certify to the Tax Assessor-Collector of Orange County the rate or rates of taxes levied for bonds and maintenance purposes, and it shall be the duty of said Tax Assessor-Collector to cause said taxes to be assessed and collected in the manner provided by said Chapter 5.

Revisor's Note

Section 3, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to the assessment and collection of taxes in the manner provided by "said Chapter 5," meaning Chapter 5, General Laws, Acts of the 39th Legislature, Regular Session, 1925. The revised law substitutes a reference to Chapter 62, Water Code, for the quoted

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1 language for the reason stated in Revisor's Note (3) to

Section 5018.0051. 2

SUBCHAPTER E. BONDS 3

4 Revised Law

Sec. 5018.0201. DEFINITION. 5 In this subchapter, "net revenue" means the gross revenue derived from the operation of the 6 7 district's improvements and facilities the income of which is 8 pledged to the payment of district bonds less the reasonable 9 expense of maintaining and operating those improvements and

facilities, including necessary repair, upkeep, and insurance 10

expenses for those improvements and facilities. (Acts 53rd Leg., 11

R.S., Ch. 370, Sec. 14(a) (part).) 12

13 Source Law

14 (a)

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'Net revenues' as used herein shall mean the gross we derived from the operation of those revenues improvements and facilities of the District the income of which is pledged to the payment of the bonds less the reasonable expense of maintaining and operating said improvements and facilities, and said maintenance and operation expenses shall include, among other things, necessary repair, upkeep, and insurance of said improvements and facilities.

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Revisor's Note

Section 14(a), Chapter 370, Acts of the 53rd 26 27 Legislature, Regular Session, 1953, maintenance and operation expenses "include, among other things," certain items. The revised law omits 29 "among other things" because Section 311.005(13), 30 Government Code (Code Construction Act), provides that 31 "includes" and "including" are terms of enlargement 32 and not of limitation and do not create a presumption 34 that components not expressed are excluded.

Revised Law

Sec. 5018.0202. AUTHORITY TO ISSUE BONDS. 36 (a) To provide 37 money for any purpose provided by this chapter or another law relating to navigation districts, the board may issue bonds 38 secured: 39

- 1 (1) solely by a pledge of and payable from the net
- 2 revenue derived from the operation of all or a designated part of
- 3 the district's improvements and facilities then in existence or to
- 4 be constructed or acquired;
- 5 (2) by a pledge of and payable from an ad valorem tax
- 6 on all taxable property in the district under Section 59, Article
- 7 XVI, Texas Constitution; or
- 8 (3) by a combination of the methods prescribed under
- 9 Subdivisions (1) and (2).
- 10 (b) If bonds issued under Subsection (a)(1) are
- 11 outstanding, the board shall charge and collect fees, tolls, and
- 12 charges sufficient to:
- 13 (1) pay all maintenance and operation expenses of the
- 14 improvements and facilities, the income of which is pledged;
- 15 (2) pay the interest on the bonds as it accrues;
- 16 (3) pay the principal of the bonds as it matures; and
- 17 (4) make any other payments prescribed in the bond
- 18 order or resolution.
- 19 (c) If bonds issued under Subsection (a)(2) are
- 20 outstanding, the board shall annually impose a tax sufficient to
- 21 pay:
- 22 (1) the interest on the bonds as it accrues; and
- 23 (2) the principal of the bonds as it matures.
- 24 (d) If bonds issued under Subsection (a)(3) are
- 25 outstanding, the board shall charge and collect fees, tolls, and
- 26 charges so that, in the manner prescribed in the bond order or
- 27 resolution, the amount of tax to be collected may be reduced or
- 28 abated to the extent that the revenue from the operation of the
- 29 improvements and facilities, the income of which is pledged, is
- 30 sufficient to:
- 31 (1) meet the requirements for maintenance and
- 32 operation of the improvements and facilities; and
- 33 (2) provide money for the bonds as prescribed in the
- 34 bond order or resolution.

- 1 (e) All district bonds must be authorized by board
- 2 resolution or order.

- 3 (f) Bonds payable solely from net revenue may be issued
- 4 without an election. (Acts 53rd Leg., R.S., Ch. 370, Secs. 14(a)
- 5 (part), (b) (part), (c) (part), (e) (part).)

Source Law

- Sec. 14. (a) For the purpose of providing funds for any of the purposes provided by this Act or other laws relating to navigation districts, the Board of Commissioners shall have the power from time to time to issue negotiable bonds for and on behalf of the District, which bonds may be secured by any one of the following methods:
- (1) Solely by a pledge of and payable from the net revenues derived from the operation of all or a designated part of the improvements and facilities of the District then in existence or to be constructed or acquired, with the duty on the Board of Commissioners to charge and collect fees, tolls, and charges, so long as the bonds are outstanding, sufficient to pay all maintenance and operation expenses of the improvements and facilities (the income of which is pledged), the interest on such bonds as it accrues, the principal of such bonds as it matures, and to make any and all other payments as may be prescribed in the bond order or resolution; or
- (2) By a pledge of and payable from an advalorem tax upon all taxable property within the District under Section 59 of Article 16 of the Constitution of Texas, with the duty on the Board of Commissioners each year while the bonds, or any part of them, are outstanding to levy, and cause to be assessed and collected, a tax sufficient to pay the interest on such bonds as it accrues and the principal of such bonds as it matures; or
- (3) By a combination of the methods prescribed under (1) and (2) above, wherein the bonds are supported and secured by an ad valorem tax, with the duty on the Board of Commissioners to charge and collect fees, tolls, and charges, so long as the bonds are outstanding, so that (in the manner prescribed in the bond order or resolution) the amount of tax to be collected from time to time may be reduced or abated to the extent that the revenues from the operation of said improvements and facilities (the income of which is pledged) are sufficient to meet the requirements for maintenance and operation of said improvements and facilities and to provide funds for the bonds as prescribed in said bond order or resolution.
- (b) Bonds payable solely from net revenues may be issued by resolution or order of the Board of Commissioners, and no election therefor shall be necessary. . . .
- necessary. . . .

 (c) All bonds of the District shall be authorized by resolution or order of the Board of Commissioners, . . .
- (e) In all cases where the District is now or hereafter authorized by any general law of this State to issue revenue bonds payable solely from the

revenues from properties acquired or to be acquired or from other revenue-producing properties of the District, such bonds may, at the option of the Board of Commissioners, be further secured by the levy of ad valorem taxes upon all taxable property within said District; . . .

Revisor's Note

- (1) Section 14(a), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that the district may issue bonds and collect taxes "from time to time." The revised law omits that phrase because the power to take an action includes the power to act from time to time.
- (2) Section 14(a), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, authorizes the district to issue "negotiable" bonds. The revised law omits the reference to "negotiable" bonds for the reason stated in Revisor's Note (2) to Section 5018.0153.

20 Revised Law

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- Sec. 5018.0203. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. (a) Bonds, other than refunding bonds, payable wholly or partly from ad valorem taxes may not be issued unless authorized by an election called by the board at which a majority of the votes cast favor the bond issuance.
- (b) Notice of the election must be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district on the same day in each of two successive weeks. The first publication must be not later than the 14th day before the date of the election. No other notice of the election is necessary.
- 32 (c) If the bonds are to be payable solely from taxes, the 33 ballot must have printed on it "For the bonds and the levy of taxes 34 in payment thereof" and the contrary of that proposition.
- 35 (d) If the bonds are to be payable both from net revenue and 36 taxes, the ballot must have printed on it "For the bonds, the pledge 37 of net revenues, and the levy of taxes adequate to provide for the

- 1 payment thereof" and the contrary of that proposition. (Acts 53rd
- 2 Leg., R.S., Ch. 370, Secs. 14(b) (part), (e) (part).)

3 Source Law

- . . . No bonds wholly or partially supported (b) except refunding bonds, shall be issued until they have been authorized at an bу taxes, unless and until election called by the Board of Commissioners at which a majority of the duly qualified resident electors of said District who own taxable property within said District and who have duly rendered the same for taxation, voting at said election, have voted in favor . . . notice of such election shall be given thereof. by publication of a substantial copy of the order or resolution calling the election in a newspaper of general circulation within the District on the same day in each of two (2) successive weeks, the first publication to be not less than fourteen (14) days prior to the date of such election. No other notice of election shall be necessary. If the bonds are to be payable solely from taxes, the proposition to appear upon the ballot shall be "For the bonds and the levy of taxes in payment thereof," and the contrary thereof. If the bonds are to be payable both from net revenues and taxes, the proposition to appear upon the ballot shall be "For the bonds, the pledge of net revenues, and the levy of taxes adequate to provide for the payment thereof," and the contrary thereof.
- (e) . . . provided, that no bonds payable from ad valorem taxes as well as revenues shall be issued until the same have been authorized at an election called and held as provided in this Act for other tax bond elections, at which election a majority of the duly qualified resident electors of said District who own taxable property within said District and who have duly rendered the same for taxation, voting at said election, have voted in favor thereof. . . .

Revisor's Note

(1) Sections 14(b) and (e), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refer to a vote by "a majority of the duly qualified resident electors of said District who own taxable property within said District and who have duly rendered the same for taxation." The revised law omits the reference to "duly qualified resident electors of said District" for the reason stated in Revisor's Note (3) at the end of Subchapter B. The revised law also omits the reference to voting by persons who own taxable property and render that property for taxation because in Hill v. Stone, 421 U.S. 289 (1975), the United

- States Supreme Court determined that property ownership as a qualification for voting is an unconstitutional denial of equal protection.
- Section 14(b), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that an election must be held not less than 14 days after the date the election is ordered. The revised law omits the provision as superseded by Section 3.005, Election Code, applicable to the district under Section 1.002, Election Code. Section 3.005, as amended by Chapter 84, Acts of the 84th Legislature, Regular Session, 2015, requires an election order issued by an authority of a political subdivision to be issued not later than the 62nd or 78th day before election day, depending on when the election is held, and provides that Section 3.005 supersedes a law outside the Election Code to the extent of any conflict. The omitted law reads:
- (b) . . . Any such election shall be held not less than fourteen (14) days after the date of adoption of the order or resolution calling said election, and
- 24 (3) Section 14(b), Chapter 370, Acts of the 53rd
 25 Legislature, Regular Session, 1953, refers to an
 26 "order or resolution" calling an election. The
 27 revised law omits "resolution" because "order" is the
 28 term used in Chapter 3, Election Code.

29 <u>Revised Law</u>

- Sec. 5018.0204. PROVISIONS OF CERTAIN BOND RESOLUTIONS OR ORDERS; AUTHORITY TO ADOPT OR EXECUTE OTHER PROCEEDINGS OR INSTRUMENTS. (a) In the resolution or order adopted by the board authorizing the issuance of bonds payable wholly or partly from net revenue, the board may:
- 35 (1) provide for:
- 36 (A) the flow of money; and

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- 1 (B) the establishment and maintenance of an
- 2 interest and sinking fund, a reserve fund, and any other funds;
- 3 (2) make any additional covenants with respect to the
- 4 bonds, the pledged revenue, and the operation, maintenance, and
- 5 upkeep of the improvements and facilities the income of which is
- 6 pledged, including a provision for the leasing of all or a part of
- 7 the improvements and facilities and the use or pledge of money
- 8 derived from those leases, as the board considers appropriate;
- 9 (3) prohibit the further issuance of bonds or other
- 10 obligations payable from the pledged net revenue;
- 11 (4) reserve the right to issue additional bonds to be
- 12 secured by a pledge of and payable from the net revenue on a parity
- 13 with, or subordinate to, the lien and pledge in support of the bonds
- 14 being issued, subject to any conditions provided by the resolution
- 15 or order; or
- 16 (5) include any other provision or covenant, as
- 17 determined by the board, that is not prohibited by the Texas
- 18 Constitution or this chapter.
- 19 (b) The board may adopt and execute any other proceeding or
- 20 instrument necessary or convenient to issue the bonds. (Acts 53rd
- 21 Leg., R.S., Ch. 370, Sec. 14(a) (part).)

22 <u>Source Law</u>

23 (a) . .

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In the resolution or order adopted by the Board of Commissioners authorizing the issuance of bonds payable in whole or in part from net revenues, Board may provide for the flow of funds, the establishment and maintenance of the interest sinking fund, reserve fund, and other funds, and may make such additional covenants with respect to the bonds and the pledged revenues and the operation, maintenance, and upkeep of those improvements and facilities (the income of which is pledged), including provision for the leasing of all or a part of said improvements and facilities and the use or pledge of moneys derived from leases thereof, as it may deem appropriate. Said resolution or order may also of bonds prohibit the further issuance or obligations payable from the pledged net revenues, or may reserve the right to issue additional bonds to be secured by a pledge of and payable from said net revenues on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to such conditions as are set forth in said Such resolution or order may resolution or order.

contain such other provisions and covenants, as the Board of Commissioners shall determine, not prohibited by the Constitution of Texas or by this Act, and the Board may adopt and cause to be executed any other proceedings or instruments necessary and/or convenient in the issuance of said bonds.

Revised Law

- Sec. 5018.0205. FORM OF BONDS. District bonds must be:
- 9 (1) issued in the district's name;
- 10 (2) signed by the president; and
- 11 (3) attested by the secretary. (Acts 53rd Leg., R.S.,
- 12 Ch. 370, Sec. 14(c) (part).)

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13 Source Law

14 (c) All bonds of the District . . . shall be 15 issued in the name of the District, shall be signed by 16 the President and attested by the Secretary, and 17 . . .

18 <u>Revisor's Note</u>

19 Section 14(c), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that 20 21 bonds must bear the district seal, authorizes 22 facsimile signatures of the president and secretary 23 and facsimile seals, and provides that the interest 24 coupons attached to the bonds may be executed by the facsimile signatures of those officers. The revised 25 26 law omits those provisions because they are superseded 27 and impliedly repealed by or duplicative of general The requirement that the bonds bear the district 2.8 law. impliedly repealed by Section 29 seal 3, 30 Procedures Act of 1981 (Article 717k-6, Vernon's Texas 31 Civil Statutes) (revised in pertinent part in 1999 as Section 1201.026(a), Government Code), which provides 32 that bonds may be issued with or without a seal. 33 authorization for the use of facsimile signatures 34 duplicates Section 1201.026(a), Government 35 which also provides that bonds and interest coupons 36 37 may be executed with manual or facsimile signatures. The omitted law reads: 38

(c) [All bonds of the District] . the seal of the District have impressed thereon; provided, that resolution or order authorizing such bonds may provide for the bonds to be signed by the facsimile signatures of said President and Secretary, either or both, and for the seal of the District on the bonds to be a printed facsimile seal of the seal of the and provided further District; that the interest coupons attached to said bonds may be executed bу the signatures of said officers.

14 Revised Law

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Sec. 5018.0206. MATURITY. District bonds must mature not later than 40 years after the date of their issuance. (Acts 53rd Leg., R.S., Ch. 370, Sec. 14(c) (part).)

18 <u>Source Law</u>

19 (c) . . . Such bonds shall mature serially or 20 otherwise in not to exceed forty (40) years from their 21 date or dates, and . . .

22 <u>Revisor's Note</u>

Section 14(c), Chapter 370, Acts of the 53rd 23 24 Legislature, Regular Session, 1953, provides that district bonds shall mature "serially or otherwise." 25 26 The revised law omits the quoted language because it is 27 superseded by Section 1201.021, Government (enacted as Section 3, Bond Procedures Act of 1981 2.8 29 (Article 717k-6, Vernon's Texas Civil Statutes)), 30 which provides that the governing body of an issuer may determine the time of payment of public securities it 31 issues, and by Section 1201.022, Government Code 32 33 (enacted as Section 5(a), Bond Procedures Act of 1981 34 (Article 717k-6, Vernon's Texas Civil Statutes)), which provides that a public security may be issued 35 with specified characteristics, on specified terms, or 36 37 in a specified manner.

38 <u>Revised Law</u>

Sec. 5018.0207. USE OF BOND PROCEEDS. The board may appropriate or set aside out of the proceeds from the sale of any district bonds:

- 1 (1) an amount for the payment of interest expected to
- 2 accrue during the period of construction of the improvements or
- 3 facilities; and
- 4 (2) an amount necessary to pay all expenses incurred
- 5 and to be incurred in the issuance, sale, and delivery of the bonds.
- 6 (Acts 53rd Leg., R.S., Ch. 370, Sec. 14(d).)

7 Source Law

8 (d) From the proceeds of sale of any bonds of the 9 District, the Board of Commissioners may appropriate or set aside out of the bond proceeds an amount for the 10 payment of interest expected to accrue during period of construction of the improvements 11 the of 12 facilities, 13 and an amount necessary all to pay 14 expenses incurred and to be incurred in issuance, 15 sale, and delivery of the bonds.

16 Revised Law

- Sec. 5018.0208. REFUNDING BONDS. (a) The board may issue
- 18 refunding bonds of the district to refund any outstanding district
- 19 bonds and accrued interest on those bonds.
- 20 (b) Refunding bonds may:
- 21 (1) as to outstanding bonds payable wholly from taxes,
- 22 be issued to refund more than one series or issue of the outstanding
- 23 bonds; and
- 24 (2) as to outstanding bonds payable wholly or partly
- 25 from net revenue:
- 26 (A) be issued to refund more than one series or
- 27 issue of the outstanding bonds;
- 28 (B) combine the pledges for the outstanding bonds
- 29 for the security of the refunding bonds; and
- 30 (C) be secured by other or additional revenue.
- 31 (c) Bonds payable solely from net revenue may not be
- 32 refunded into bonds secured by taxes unless the issuance of the
- 33 bonds is authorized by a majority of the voters voting at an
- 34 election held in the same manner as a bond election.
- 35 (d) Refunding under this section may not impair the contract
- 36 rights of the holders of any of the outstanding bonds that are not
- 37 to be refunded.

- (e) Refunding bonds must:
- 2 (1) be authorized by a board resolution or order;
- 3 (2) be executed and mature as provided by this chapter
- 4 for original bonds; and

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- 5 (3) bear interest at the same or a lower rate than that
- 6 of the bonds refunded unless it is shown mathematically that a
- 7 saving will result in the total amount of interest to be paid.
- 8 (f) The comptroller shall register the refunding bonds on
- 9 surrender and cancellation of the bonds to be refunded.
- 10 (g) Instead of issuing bonds to be registered on the
- 11 surrender and cancellation of the bonds to be refunded, the
- 12 district, in the resolution or order authorizing the issuance of
- 13 the refunding bonds, may provide for the sale of the refunding bonds
- 14 and the deposit of the proceeds in the place or places at which the
- 15 bonds to be refunded are payable. In that case, the refunding bonds
- 16 may be issued in an amount sufficient to pay the interest on the
- 17 bonds to be refunded to their option date or maturity date, and the
- 18 comptroller shall register the refunding bonds without the
- 19 surrender and cancellation of the bonds to be refunded. (Acts 53rd
- 20 Leg., R.S., Ch. 370, Sec. 15 (part).)

21 Source Law

Sec. 15. The Board of Commissioners shall have the power to issue refunding bonds of the District for the purpose of refunding any outstanding bonds of the District and accrued interest thereon. outstanding bonds payable wholly from taxes, such refunding bonds may be issued to refund more than one series or issue of such outstanding bonds. As to outstanding bonds payable in whole or in part from net revenues, such refunding bonds may be issued to refund more than one series or issue of such outstanding bonds and combine pledges for the outstanding bonds for the security of the refunding bonds, and such refunding bonds may be secured by other and additional revenues; provided, that no bonds payable solely from net revenues may be refunded into bonds secured by taxes unless the same is authorized by a majority vote of the taxpaying voters voting at an election called and held in the same manner as bond elections; and provided, further, that such refunding will not impair rights holders contract of the of any outstanding bonds which are not to be refunded.

Refunding bonds shall be authorized by resolution or order of the Board of Commissioners, and shall be executed and mature as is provided in this Act for original bonds. They shall bear interest at the same

or lower rate than that of the bonds refunded unless it is shown mathematically that a saving will result in the total amount of interest to be paid. They . . . shall be registered by the Comptroller upon surrender and cancellation of the bonds to be refunded, but in lieu thereof, the resolution or order authorizing their issuance may provide that they shall be sold and the proceeds thereof deposited in the place or places where the original bonds are payable, in which case the refunding bonds may be issued in an amount sufficient to pay the interest on the original bonds to their option or maturity date, and the Comptroller shall register them without the surrender and cancellation of the original bonds. . .

Revisor's Note

Section 15, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, refers to "taxpaying voters." The revised law omits "taxpaying" for the reason stated in Revisor's Note (1) to Section 5018.0203.

Revisor's Note (End of Subchapter)

(1)Section 14(c), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that district bonds may be sold at a price and under terms that the board determines to be the most advantageous reasonably obtainable. The revised law omits that provision because it duplicates or is superseded by provisions of general law. Section 1204.006(b), Government Code, enacted as Section 2(a), Chapter 3, Acts of the 61st Legislature, Regular Session, 1969 (Article 717k-2, Vernon's Texas Civil Statutes), provides that an issuer may sell public securities at any price. Section 1201.022, Government Code, as amended in 2001, provides that an issuer may sell public securities "under the terms determined by the governing body of the issuer to be in the issuer's best interests." The omitted law reads:

(c) . . . [Such bonds] . . . may be sold at a price and under terms determined by the Board of Commissioners to be most advantageous reasonably obtainable,

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- (2) Section 14(c), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that district bonds may bear interest at a rate not to exceed six percent. The revised law omits that provision for the reason stated in the revisor's note to Section 5018.0154. The omitted law reads:
 - (c) . . . [bonds . . . may be sold . . . under terms determined by the Board of Commissioners] . . . provided that the interest cost to the District, calculated by the use of standard bond interest tables currently in use by insurance companies and investment houses, does not exceed six per cent (6%) per annum, and
- Section 14(c), Chapter 370, Acts of the 53rd (3)Legislature, Regular Session, 1953, provides that district bonds may be called, or redeemed, before maturity at the time and price specified in resolution or order authorizing the bonds. revised law omits that provision because it duplicates substance Sections 1201.021 in and 1201.022, Government Code, which provide that a public security may be redeemed before maturity and be payable in specified amounts and at specified times. The omitted law reads:
 - (c) . . . within the discretion of the Board such bonds may be callable prior to maturity at such time or times and at such price or prices as may be prescribed in the resolution or order authorizing the bonds. . . .
- (4) Section 14(c), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that district bonds may be made registrable as to principal or as to principal and interest. The revised law omits that provision because it duplicates in substance Section 1201.024(a)(3), Government Code. The omitted law reads:
- (c) . . . Such bonds may be made registerable as to principal, or as to both principal and interest.

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Sections 14(c) and (e) and Section 15, 2 (5) 3 Chapter 370, Acts of the 53rd Legislature, Regular 4 Session, 1953, require the district to submit bonds it 5 issues to the attorney general for examination and 6 approval. Sections 14(c) and (e) and Section 15 also 7 provide that after approval the bonds must be 8 registered by the comptroller. Sections 14(c) and 15 provide that after approval and registration, district 9 10 bonds are incontestable except for forgery or fraud. The revised law omits those provisions as superseded 11 by Chapter 1202, Government Code (enacted as Article 12 3, Chapter 53, Acts of the 70th Legislature, 2nd Called 13 Session, 1987). Section 1202.003, Government Code, 14 15 provides for approval of bonds by the attorney general requires the attorney general to submit the 16 17 approved bonds to the comptroller for registration. 1202.005, 18 Section Government Code, requires 19 registration of the bonds by the comptroller. Section 1202.006, Government Code, provides that 20 21 approval and registration the bonds are incontestable 22 Chapter 1202, Government Code, for any reason. applies to district bonds by application of Sections 23 24 1202.001 and 1202.003(c), Government Code. omitted law reads: 25

[Sec. 14]

After such bonds have been authorized by the District, such bonds and the record relating to their issuance shall be submitted to the Attorney General of Texas for his examination as to the validity thereof, and after the Attorney General has approved the same, such bonds shall be registered by the Comptroller of Public Accounts of Texas. When such bonds have been approved by the Attorney General, registered by the Comptroller, and delivered to the purchasers, they shall thereafter be incontestable except for forgery or fraud. . .

(e) . . . Such bonds shall be

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submitted to the Attorney General of Texas for approval and to the Comptroller of Public Accounts of Texas for registration as is provided in this Act for other bonds of the District.

Sec. 15. . . . [They] shall be approved by the Attorney General as in the case of original bonds, and . . . All such refunding bonds, after they have been approved by the Attorney General and registered by the Comptroller, shall be incontestable except for forgery or fraud.

- Section 14(c), Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, details various procedures regarding approval of bond contracts and proceedings by the attorney general. The revised law omits the portion of Section 14(c) regarding the validity and incontestability of a contract proceeds of which are pledged to the payment of a bond as impliedly repealed by Section 1202.006, Government Code (enacted as Section 3.002(d), Chapter 53, Acts of 70th Legislature, 2nd Called Session, 1987). Section 1202.006, Government Code, provides that after approval and registration of the bond, the bond and contract are incontestable for any reason. Section 1202.006 applies to district bonds under Sections 1202.001 and 1202.003(c), Government Code. The omitted law reads:
 - . . . When any bonds payable in whole or in part from net revenues recite partially they are secured or otherwise by a pledge of the proceeds of a contract or contracts made between the District and another party or parties (public agencies or otherwise), a copy of such contract or contracts and of proceedings authorizing the same shall be submitted to the Attorney General along with the bond record, and the approval by the Attorney General of the bonds shall constitute an approval of such contract or contracts, and thereafter the contract or contracts shall be incontestable except for forgery or fraud.
- (7) Section 16, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that district bonds are negotiable instruments and are

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legal and authorized investments for various entities. The revised law omits those provisions as unnecessary. Section 1201.041, Government Code, provides that any bond is a negotiable instrument. As to several of the entities listed, Section 16 has been superseded and impliedly repealed or it duplicates existing law. Investments in securities by banks are regulated by Section 34.101, Finance Code (enacted in 1995 as Section 5.101, Texas Banking Act (Article 342-5.101, Vernon's Texas Civil Statutes)). Investments by savings banks are regulated by Section 93.001(c)(10), Finance Code (enacted in 1993 as Section 7.15(10), Texas Savings Bank Act (Article 489e, Vernon's Texas Civil Statutes)). Investments in securities by trust companies are regulated by Section 184.101, Finance Code (enacted in 1997 as Section 5.101, Texas Trust Company Act (Article 342a-5.101, Vernon's Texas Civil Statutes)). Investments in securities by building and associations (now called savings loan and associations) are regulated by Sections 63.002 and 64.001, Finance Code. As to the remaining entities listed, Section 16 is superseded by Section 1201.041, Government Code (enacted as Section 9, Bond Procedures Act of 1981 (Article 717k-6, Vernon's Texas Civil While Section 16 lists "quardians" and Statutes)). Section 1201.041, Government Code, does not, Section 1201.041 includes a "fiduciary," and a guardian is a fiduciary. The omitted law reads:

> All bonds issued under this Sec. 16. Act shall be and are hereby declared to be, and to have all the qualifications of, negotiable instruments under the Negotiable Instruments Law of the State of Texas, and all such bonds shall be and are hereby declared bе legal and authorized to investments for banks, savings banks, trust companies, building and loan associations, companies, insurance fiduciaries, trustees, guardians, and for the sinking

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funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas. . . .

Section 16, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, provides that district bonds may secure deposits of public funds of this state or political subdivisions of this state. The revised law omits the provision relating to the use of district bonds as security for deposits of state funds impliedly repealed by Section 404.0221, as Government Code (enacted in 1995), which lists eligible collateral for deposits of state funds by the comptroller, and by Section 404.031, Government Code (enacted in 1985 as Section 3.001, Article 4393-1, Vernon's Texas Civil Statutes), which provides for the valuation of that collateral. As to securing deposits of other funds, the provision is impliedly repealed by Chapter 2257, Government Code (enacted in 1989 as Article 2592d, Vernon's Texas Civil Statutes), which governs eligible collateral for deposits of funds of including other public agencies, political subdivisions, and permits those deposits to be secured by obligations issued by conservation and reclamation districts. The omitted law reads:

. . . Such bonds shall be Sec. 16. eligible to secure the deposit of any and all public funds of the State of Texas, and any and all public funds of cities, towns, villages, counties, school districts, or political other corporations or subdivisions of the State of Texas, and any and all public funds of cities, towns, villages, counties, school districts, or other political corporations subdivisions of the State of Texas; and such shall bе lawful and sufficient security for said deposits to the extent of their face value when accompanied by all unmatured coupons appurtenant thereto.

Revisor's Note (End of Chapter)

(1) Section 6, Chapter 370, Acts of the 53rd

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Legislature, Regular Session, 1953, provides procedures for holding an election to elect the district's initial board, confirm the district, and approve the imposition of a maintenance tax. Because initial directors have been elected and the. the confirmation of the district and the imposition of a maintenance tax were approved at the election, the revised law omits those provisions as executed. The omitted law reads:

> As soon as convenient after Sec. 6. the effective date of this Act, the County Judge of Orange County, Texas, shall order an election in said District for the election of five (5) port commissioners, and at which election there shall proposition submitted the of the confirmation of said District and levying of the maintenance tax to support said District. The County Judge may require a cash deposit of One Hundred Dollars (\$100) to be deposited with the County Clerk by persons interested as well as a bond to secure the payment of the cost of calling and ordering said election and canvassing and declaring the results of the same, provided that if said election shall carry, the money deposited shall be returned to the persons depositing the same and said bond shall be cancelled and the District shall pay said costs from its available funds, but if said election shall fail to carry, then said money shall be applied on the expenses of election, and if there is any balance it shall be returned to the parties depositing the same, and if the costs shall be more than the amount deposited then the parties signing such bond shall be responsible Said election shall be held therefor. within not less than thirty (30) days nor more than sixty (60) days from the date of the order calling the same. Said election order shall state the time and place of holding said election and shall state the purposes to be voted upon at said election, is to say, confirmation of that the District, election of five Commissioners, and whether or not maintenance tax is approved by said District, at a rate not to exceed fifteen cents (15¢) on the One Hundred Dollar (\$100) valuation of the property of said District. The County Clerk shall furnish the supplies for said election and cause to be posted and published the notice therefor. Notice of said election shall be given by posting a substantial copy of the election order in each of the election precincts in said District and also at the County Courthouse.

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Such notice shall also be published on the same day in each of two (2) successive weeks circulation of general newspaper published within said District, the date of the first publication to be not less than fourteen (14) days prior to the date of the election. Except as herein provided the of said election, holding manner returns thereof and canvassing the returns and declaring the results thereof shall be governed by the laws governing general governed by the laws governing general elections. There shall be two (2) ballots prepared for said election, one (1) ballot with the names of the candidates for the positions as Commissioners written printed thereon, and all those qualified taxpaying property-owning voters shall be qualified to vote for all five (5) said Commissioners. The members of the Board of Commissioners provided for herein shall be elected by the voters of the District at large. Those who desire to have their names printed on the ballot at said election shall make application in writing to the County Judge for a place on the ballot at least twenty (20) days before the date of said election, or upon petition signed by one hundred (100) or more qualified voters of the District any qualified candidate's name shall be placed on said ballot. Those receiving the highest number of votes for the respective places from Precincts One (1), Two (2), Three (3), Four (4) and the County at large on said Commission shall be declared elected.

Another ballot shall be prepared for said election and all voters desiring to proposition for support the the confirmation of said District and for the maintenance tax herein mentioned, shall have written or printed upon their ballots the words, 'For the confirmation of the District and the maintenance tax,' and those 'Against opposed, the words, the District confirmation of and maintenance tax.'

Said election order shall be signed by the County Judge and shall name the judges of the election with authority to appoint their own clerks and assistants, and said election shall be held in each of the voting precincts of said District, and each voter shall vote in the precinct of his residence. The Commissioners Court of said County shall canvass the returns and declare the results of said election at its next regular or special meeting after the date of said election.

(2) Section 18, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, abolished a previously existing navigation district. The revised law omits the provision as executed because it served its purpose on the date it took effect and is executed

law. The omitted law reads:

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Sec. 18. The Navigation District of Orange County, Texas, created in 1909 is hereby abolished.

Section 20, Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, and Section 5, Chapter 80, Acts of the 55th Legislature, Regular Session, 1957, each provide that the respective act is severable. The revised law omits those provisions because the same result is produced by the application of Section 311.032, Government Code (Code Construction Act), which provides that a provision of a statute is severable from each other provision that can be given effect. The omitted law reads:

[Acts 53rd Leg., R.S., Ch. 370]
Sec. 20. The provisions of this Act are separable, and if any Section, or part thereof, shall be held unconstitutional or void by any court of competent jurisdiction for any reason, such holding shall not affect the validity of any other Section or part of this Act, and the same shall remain and be in full force and effect, and the Legislature hereby declares that it would have passed the remaining part or parts of this Act.

[Acts 55th Leg., R.S., Ch. 80]

Sec. 5. If any section, paragraph, clause, phrase, word or other part of this Act or the application thereof to any person or circumstances shall be held to be invalid unconstitutional, the same shall not or section, affect other paragraph, clause, phrase, word, or other part of the Act or the remainder of the Act and the application of such invalid section, paragraph, clause, phrase, word, or other part the persons of Act to other circumstances.

Section 2, Chapter 80, Acts of the 55th (4)Legislature, Regular Session, 1957, provides that the act does not affect any rights previously vested in or acquired by the district under the terms of Chapter 370, Acts of the 53rd Legislature, Regular Session, 1953, before its amendment by the act. The revised law omits that provision as executed and because Section 311.031(a)(2), Government Code (Code Construction Act), provides that the repeal of a statute does not affect any right, privilege, or obligation previously acquired, accrued, accorded, or incurred under the statute. The omitted law reads:

Sec. 2. The provisions of this Act shall not affect any rights heretofore vested in or acquired by the District under the terms of said Chapter 370 prior to its amendment by this Act.

Section 3, Chapter 80, Acts of the 55th (5) Legislature, Regular Session, 1957, validates the establishment and boundaries of the district, all acts and governmental proceedings of the board, and all elections held in the district and provides that the does not apply to pending litigation. Those provisions are omitted from the revised law because they served their purpose on the date they took effect executed law. Section and are Government Code (Code Construction Act), provides that the repeal of a statute does not affect any validation previously made under the statute. Therefore, the omission of the executed validation provisions does not affect those validations. The omitted law reads:

Sec. 3. Said Orange County Navigation and Port District of Orange County, Texas, with boundaries coterminous with those of Orange County, Texas, is hereby in all things validated, and is hereby declared to be a validly existing and and operating conservation reclamation district under Section 59 of Article 16, Constitution of Texas. Without in any way limiting the generalization of foregoing, it is expressly provided that the elections held December 17, 1955, for confirmation of the District, the maintenance tax, and the Commissioners, are hereby in all things validated, ratified, confirmed; and all acts governmental proceedings of the Board of Commissioners and all elections held said District are hereby in all thi in things validated, ratified, confirmed; and provided, however, that the validation provision of this sentence shall have no application to litigation pending on the

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effective date of this Act.